

PM's overseas trip linked to tobacco group

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Prime Minister Kevin Rudd accepted international flights and hotel accommodation from a German foundation that controls a key part of the international tobacco industry, despite his earlier declarations that "cigarettes kill people".

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Mr Rudd's declarations of interests lodged with the federal parliament reveal that in October last year he was given return international tickets and two days accommodation in Berlin from the Korber Foundation, a German non-profit foundation that is the sole owner of the world's leading supplier of machines for the production of filter cigarettes.

The Prime Minister's acceptance of this benefit would appear to be at odds with the Federal Labor Party's long standing policy of not accepting political donations or any other benefits from the tobacco industry.

In October last year, Mr Rudd attended the 2nd Berlin Foreign Policy Forum which was hosted by the Korber Foundation, otherwise known as Korber-Stiftung.

Mr Rudd, then a backbench MP, used the Berlin conference to highlight his international standing as a former prime minister and called for Europe to engage more closely with Asia, especially China, saying that "if Asia goes wrong and Asia becomes a rolling security nightmare the impact on the German economy will be massive."

The Korber Foundation, which promotes international political, scientific and cultural exchanges, has for the past twenty years been the sole owner of Korber AG, a German-based engineering and manufacturing conglomerate that includes Hauni Maschinenbau, the world's leading supplier of cigarette making machines.

The company's global turnover exceeded €780 million (\$1.1 billion) in 2011 — more than 40% of Korber AG's overall activity.

Hauni Maschinenbau describes itself as "the world's leading supplier of technologies as well as technical and consultancy services for the international tobacco industry." The company manufactures high-tech machines for all stages of cigarette production "from tobacco processing to the production of filter rods, cigarettes and special products through to final quality measurements".

The Korber Foundation's website and promotional information does not disguise its connection with and reliance on revenues from the Korber AG group including its prominent position in the international tobacco industry.

The Foundation's reliance on profits from its tobacco industry business has been the subject of considerable controversy in Germany and Europe more broadly. German and other European politicians involved in Korber Foundation events have been criticised for being in breach of World Health Organisation guidelines warning against political figures and government officials being involved with the tobacco industry.

The Australian Government has moved to tighten restrictions on tobacco industry advertising including the enactment of the world's first plain packaging tobacco legislation and has stepped up anti-smoking health advertising.

In announcing a sharp rise in taxation on tobacco products in April 2010, Prime Minister Rudd said "Cigarettes are not cool. Cigarettes kill people. Therefore the Government makes no apology whatsoever for what it's doing."

In February this year the Future Fund announced it would exclude primary tobacco producers from its investment portfolio. The Labor Government has also been sharply critical of the Liberal and National Party's continuing acceptance of political donations from tobacco companies.

A spokesperson for the Australian Medical Association yesterday affirmed that the AMA considers that a prohibition on contributions to political parties from tobacco companies and related entities "should extend to individual MPs."

A spokesperson for Mr Rudd highlighted the attendance of British Foreign Secretary William Hague and the German Foreign Minister Guido Westerwelle at the Berlin Conference.

She said Mr Rudd's trip was declared on the register of MP's interests at the time.

On being told of Mr Rudd's acceptance of flights and accommodation from the Korber Foundation, a spokesperson for Health Minister Tanya Plibersek did not reaffirm Labor policy against political donations and benefits from the tobacco industry and hastily suggested that other ministers such as Finance Minister Penny Wong might be asked to comment instead.

Mr Rudd's acceptance of international flights and accommodation from the Korber Foundation is but one of numerous gifts and benefits listed in his 71 pages of parliamentary interests declarations since the 2010 federal election.

He has accepted overseas travel and accommodation from companies and institutions that include Hony Capital, China's leading private equity investment firm; the China Council for the Promotion of International Trade; the Asia Inc Forum; the Chinese People's Institute for Foreign Affairs; the Chinese Ministry of Education and Beijing Municipal Government's Beijing Forum; the Friedrich Ebert Foundation (associated with the German Social Democratic Party); the Deutsche Bank's Alfred Herrhausen Society, the EBG Group, the London School of Economics; the United Kingdom based International Institute for Strategic Studies (which also provided a \$10,000 honorarium; the Business Council of British Columbia and the Governments of Canada, the United Arab Emirates and Dubai.

Mr Rudd's declarations also show he and his wife Thérèse Rein have received a dozen international and more than twenty domestic flight upgrades, and some forty hotel room upgrades in the past three years. Mr Rudd has also received numerous complimentary tickets to rugby league and Australian rules matches and other events including two Cirque de Soleil tickets provided by consulting firm KPMG in August last year.

This story was found at: <http://www.smh.com.au/opinion/politics/pms-overseas-trip-linked-to-tobacco-group-20130628-2p360.html>